

Message Text

CONFIDENTIAL

PAGE 01 BONN 02326 01 OF 03 120427Z

61/53

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 OFA-01

IO-11 DLOS-04 SAL-01 EB-07 COME-00 SAM-01 AF-06

AID-05 FRB-03 TRSE-00 XMB-02 OPIC-03 CIEP-01 LAB-04

SIL-01 OMB-01 /110 W

----- 043316

P R 101841Z FEB 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 6385

AMEMBASSY LONDON PRIORITY

INFO USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

AMEMBASSY ROME

AMEMBASSY REYKJAVIK

C O N F I D E N T I A L SECTION 01 OF 03 BONN 02326

C O R R E C T E D C O P Y (EO LINE GDS VICE N/A)

E.O. 11652: GDS

TAGS: PFOR, EGEN, EEC, GW, UK, IC, EFIN

SUBJECT: CHANCELLOR SCHMIDT'S VISIT TO THE UK

REFS: (A) BONN 01678

(B) LONDON 01873

BEGIN SUMMARY: THE FOREIGN OFFICE HAS BRIEFED US ON THE

RESULTS OF CHANCELLOR SCHMIDT'S FEB. 6-7 VISIT TO THE

UK. ACCORDING TO THE COUNTRY DIRECTOR FOR ATLANTIC

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 02326 01 OF 03 120427Z

CENTERED ON ECONOMIC QUESTIONS AND THE NEXT STEPS TO BE

TAKEN TO DEVELOP THE EC. ON THE POLITICAL SIDE, ICELAND WAS A MAIN TOPIC. SCHMIDT CLAIMS CREDIT FOR THE RECENT BRITISH DECISION UNILATERALLY TO REDUCE ITS FISHING QUOTA WITH FURTHER REDUCTIONS POSSIBLE AFTER NEGOTIATIONS. DR. DANNENBRING STATED THAT THE REPORT OF THE MEETING FROM WHICH HE WAS READING DID NOT MENTION OFFSET AND THAT HIS ONLY INFORMATION CAME FROM THE PUBLIC STATEMENTS OF THE TWO LEADERS. FINALLY, DR. DANNENBRING CLAIMED THAT THE BITTERNESS OVER BRITAIN'S DEMAND FOR A SEPARATE SEAT AT THE PARIS HAD ENDED AND THAT THE CHANCELLOR AND THE PRIME MINISTER WERE WORKING TOGETHER IN FRIENDLY HARMONY. END SUMMARY.

1. ICELAND: THE CHANCELLOR HAD TOLD WILSON THAT HE WISHED TO DISCUSS ICELAND AT THE MEETING. IN ADDITION TO THE BRIEFING WHICH SCHMIDT HAD RECEIVED PRIOR TO HIS DEPARTURE, HE WAS IN CONTACT WITH THE FOREIGN OFFICE THREE TIMES FRIDAY NIGHT TO OBTAIN ADDITIONAL DETAILS ABOUT THE PROBLEM. THE CHANCELLOR'S INTEREST EXTENDED TO THE POINT WHERE HE WAS ASKING WHAT KIND OF FISH WERE BEING CAUGHT BY BRITISH TRAWLERS.

THE CHANCELLOR HAD, HOWEVER, MADE IT CLEAR THAT THE FRG DID NOT WANT TO PLAY A MEDIATING ROLE. THAT WAS RESERVED FOR NATO SECRETARY GENERAL LUNS. ICELANDIC FOREIGN MINISTER AGUSTSSON WAS LATER TO TELL THE FRG AMBASSADOR THAT WITHOUT THE NATO INITIATIVE, ICELAND WOULD HAVE BROKEN DIPLOMATIC RELATIONS WITH THE UK ON FEBRUARY 6.

WHILE UNWILLING TO ASSUME A FORMAL NEGOTIATING ROLE, THE CHANCELLOR EXPRESSED HIS STRONG FEELINGS TO WILSON THAT THE UK HAD TO MAKE SOME NEW CONCESSIONS. THE CHANCELLOR HAD ALSO CALLED FOR BRITISH RESTRAINT AND SAID IT WAS IMPORTANT THAT THERE BE NO MORE INCIDENTS IN ICELANDIC WATER.

ACCORDING TO DANNENBRING (WHO ALSO HANDLES ICELANDIC AFFAIRS IN THE FRG FOREIGN OFFICE), THE CHANCELLOR'S TALK WITH WILSON LED TO A UNILATERAL DECISION BY THE UK TO REDUCE ITS FISHING QUOTA DEMANDS. PRIME MINISTER WILSON'S MESSAGE ON THE SUBJECT TO PRIME MINISTER HALLGRIMSON DID NOT MENTION ANY CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 02326 01 OF 03 120427Z

FIGURES FOR FISH TO BE CAUGHT. IT ONLY SAID THAT THE UK WOULD ASK ITS FISHERMEN TO APPLY VOLUNTARY RESTRAINTS ON THE CATCH AND THAT THE UK GOVERNMENT WOULD BE WILLING TO NEGOTIATE FURTHER.

SCHMIDT HAD TOLD WILSON THAT THE FRG WOULD BE WILLING TO PASS MESSAGES TO THE ICELANDIC GOVERNMENT. THE CHANCELLOR TOLD WILSON THAT THE FRG WOULD TELL THE ICELANDERS THAT IT IS IMPORTANT TO CREATE A SITUATION

WHICH WOULD ALLOW THE UK GOVERNMENT TO EXPLAIN A SECOND
WITHDRAWAL OF THE UK FRIGATES TO THE BRITISH PUBLIC.
A MESSAGE FROM THE CHANCELLOR HAD BEEN SENT TO PRIME
MINISTER HALLGRIMSON, WHO HAD ACCEPTED IT "GRATEFULLY",
(REYKJAVIK'S 192 EXDIS NOTAL).

2. THE EUROPEAN COMMUNITY: ACCORDING TO DR. DANNEN-
BRING, EC QUESTIONS WERE IN THE FOREGROUND OF MOST OF
THE DISCUSSIONS BETWEEN THE TWO LEADERS. A MAIN SUBJECT
WAS THE TINDEMANS REPORT. SCHMIDT AND WILSON AGREED
TO A JOINT PROCEDURAL APPROACH. DURING THE NEXT
EUROPEAN COUNCIL MEETING, THERE WOULD BE A GENERAL
DISCUSSION OF THE REPORT. THIS WOULD BE FOLLOWED BY
DETAILED DISCUSSIONS IN THE COUNCIL OF MINISTERS, IN

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BONN 02326 02 OF 03 101859Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OFA-01 IO-11 DLOS-04 SAL-01 EB-07 COME-00

SAM-01 AF-06 AID-05 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /110 W

----- 008966

P R 101841Z FEB 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 6386

AMEMBASSY LONDON PRIORITY

INFO USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

AMEMBASSY ROME

AMEMBASSY REYKJAVIK

C O N F I D E N T I A L SECTION 02 OF 03 BONN 02326

THE COMMITTEE OF PERMANENT REPRESENTATIVES AND BY THE POLITICAL DIRECTORS. THESE DETAILED DISCUSSIONS WOULD ALL BE UNDER TINDEMANS' GENERAL SUPERVISION TO INSURE THAT THEY WERE PROPERLY COORDINATED.

THE CHANCELLOR AND THE PRIME MINISTER DISCUSSED DIRECT ELECTIONS TO THE EUROPEAN PARLIAMENT. THEY DID NOT HAVE TO DISCUSS THE PRINCIPLE OF BRITAIN HAVING SUCH DIRECT ELECTIONS; THAT WAS CERTAIN. THE DISCUSSIONS CONCERNED MODALITIES OF HOW THE UK WOULD PARTICIPATE: E.G., HOW CONSTITUENCIES WOULD BE DIVIDED, WHETHER REPRESENTATIVES WOULD HAVE A DUAL MANDATE, HOW SEATS WOULD BE APPORTIONED, ETC. THE CHANCELLOR AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 02326 02 OF 03 101859Z

THE PRIME MINISTER ALSO DISCUSSED BRITISH PARTICIPATION IN THE ECONOMIC & SOCIAL COUNCIL. DR. DANNENBRING ADDED THAT THE UK WAS PLAYING A CONSTRUCTIVE ROLE IN THE EUROPEAN COMMUNITY. ITSUGGESTIONS WERE POSITIVE AND WELL THOUGHT OUT. IN SHORT, THE UK WAS PLAYING THE KIND OF ROLE THAT THE FRG HAD ENVISAGED WHEN UK MEMBERSHIP WAS STILL ONLY A POSSIBILITY.

3. GREEK MEMBERSHIP: SCHMIDT AND WILSON HAD AGREED THAT GREECE SHOULD BECOME A FULL MEMBER OF THE EC AS SOON AS POSSIBLE. THEY RECOGNIZED A LONG NEGOTIATION PROCESS IS NECESSARY. THE SUBJECT WOULD BE HANDLED FIRST BY THE COUNCIL OF MINISTERS.

4. PORTUGAL: FOREIGN MINISTER GENSCHER BRIEFED FOREIGN MINISTER CALLAGHAN ON THE RESULTS OF HIS FEBRUARY 4-5 VISIT TO PORTUGAL. DR. DANNENBRING DID NOT ELUCIDATE, BUT THE SUBJECT IS COVERED IN BONN'S 2220.

5. RHODESIA: FOREIGN MINISTER CALLAGHAN REPORTED ON HIS TALKS WITH NKOMO. HE DID NOT SHOW MUCH OPTIMISM. ACCORDING TO CALLAGHAN, NKOMO STILL WANTS A NEGOTIATED SETTLEMENT. HOWEVER, IF HE DOES NOT GET ONE SOON, THERE WILL BE GUERRILLA WARFARE.

6. ECONOMIC PROBLEMS: PRIME MINISTER WILSON AND CHANCELLOR SCHMIDT SPENT A GOOD DEAL OF TIME DISCUSSING ECONOMIC PROBLEMS. THESE INCLUDED THE MAJOR SUBJECTS OF PRODUCTIVITY, INVESTMENT, THE RELATIONSHIP OF FREE COMPETITION TO UNEMPLOYMENT, THE RESTRUCTURING OF INDUSTRY, OTHER WAYS OF FIGHTING UNEMPLOYMENT, ETC.

THE REPORT FROM WHICH DR. DANNENBRING WAS READING DID NOT INDICATE THAT ANY DECISIONS RESULTED FROM THEIR DISCUSSIONS, EXCEPT THAT THE TWO LEADERS AGREED THAT THEY WERE AGAINST PROTECTIONISM.

7. OFFSET: IN ANSWER TO A QUESTION, DR. DANNENBRING STATED THAT HIS REPORT DID NOT INDICATE WHAT THE TWO LEADERS HAD DECIDED ABOUT A NEW OFFSET AGREEMENT BETWEEN THE FRG AND THE UK. HE REFERRED TO NEWSPAPER REPORTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 02326 02 OF 03 101859Z

TO THE EFFECT THAT CHANCELLOR SCHMIDT HAD STATED THERE WAS ONLY ONE BILATERAL PROBLEM WITH THE FRG -- THAT OF A GERMAN CONTRIBUTION TO THE FOREIGN EXCHANGE COST OF THE BAOR -- AND THAT THIS WAS "NOT INSOLUBLE". IN THESE NEWSPAPER REPORTS, THE CHANCELLOR WAS REPORTED TO HAVE ADDED THAT THERE WAS "NO NEED FOR ANY WORRY OR EXCITEMENT ABOUT IT". DR. DANNENBRING ALSO CLAIMED THAT PRIME MINISTER WILSON HAD REPLIED TO A PRESS QUESTION ON THE SUBJECT BY REPLYING: "OFFSET -- WHAT'S THAT?", IN ORDER TO INDICATE THAT THE HEAT WAS OFF. (COMMENT: SEE ALSO BONN'S 2168).

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BONN 02326 03 OF 03 101905Z

53

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OFA-01 IO-11 DLOS-04 SAL-01 EB-07 COME-00

SAM-01 AF-06 AID-05 FRB-03 TRSE-00 XMB-02 OPIC-03

CIEP-01 LAB-04 SIL-01 OMB-01 /110 W

----- 009113

P R 101841Z FEB 76
FM AMEMBASSY BONN
TO SECSTATE WASHDC PRIORITY 6387
AMEMBASSY LONDON PRIORITY
INFO USMISSION EC BRUSSELS
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY THE HAGUE
AMEMBASSY ROME
AMEMBASSY REYKJAVIK

C O N F I D E N T I A L SECTION 03 OF 03 BONN 02326

8. RELATIONSHIPS BETWEEN THE TWO LEADERS: EMBOFF
REFERRED TO WIDESPREAD REPORTS THAT PERSONAL RELATION-
SHIPS BETWEEN THE CHANCELLOR AND THE PRIME MINISTER
WERE POOR -- ESPECIALLY AFTER BRITAIN'S UNSUCCESSFUL
ATTEMPT TO GET A SEPARATE SEAT AT THE PARIS CIEC. IN
REPLY, DR. DANNENBRING CLAIMED THAT THIS WAS ALL PRESS
TALK. THE TWO LEADERS GET ALONG WELL TOGETHER. AT NO
TIME DID THEIR DIFFERENCES ABOUT PARTICIPATION AT THE
PARIS CONFERENCE DO ANY HARM TO THEIR PERSONAL OR
OFFICIAL RELATIONSHIPS. THE CHANCELLOR HAD TAKEN THE
POSITION THAT GETTING DIFFERENCES OF OPINION SUCH AS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 02326 03 OF 03 101905Z

THIS OUT INTO THE OPEN WAS THE NECESSARY FIRST STEP
TOWARDS MAKING PROGRESS. TO REINFORCE THIS POSITION,
DR. DANNENBRING REFERRED TO THE CLOSE CONSULTATIONS
WHICH EXISTED BETWEEN THE UK AND FRG GOVERNMENTS AT ALL
LEVELS. ONLY CONSULTATIONS WITH THE US AND FRANCE WERE
ON THE SAME LEVEL OF INTENSITY.

9. COMMENT: DESPITE DR. DANNENBRING'S PROTESTATIONS
TO THE CONTRARY, WE BELIEVE THAT EMBASSY LONDON'S
ANALYSIS (REFTEL B) WAS NOT FAR FROM THE MARK. WHILE
SOME OF THE STRAIN BETWEEN WILSON AND SCHMIDT MAY HAVE
BEEN EASED BY THE CHANCELLOR'S LATEST VISIT, A CERTAIN
AMOUNT OF MISTRUST AND ANTIPATHY ALMOST CERTAINLY
PERSIST. END COMMENT.

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN RELATIONS, ECONOMIC COOPERATION, FOREIGN MINISTERS MEETINGS, INTERGOVERNMENTAL COOPERATION
Control Number: n/a
Copy: SINGLE
Draft Date: 10 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BONN02326
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760053-0080
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760265/aaaacfdi.tel
Line Count: 325
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 BONN 1678
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by ElyME>; APPROVED <03 AUG 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHANCELLOR SCHMIDT'S VISIT TO THE UK
TAGS: PFOR, EGEN, EFIN, GE, UK, IC, EEC, (SCHMIDT, HELMUT)
To: STATE LONDON
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006